

***** PUBLIC NOTICE *****
SIERRA PACIFIC INDUSTRIES - ANDERSON DIVISION
ANNOUNCEMENT OF PROPOSED PERMIT MODIFICATION,
REQUEST FOR PUBLIC COMMENT, AND PUBLIC HEARING ON
CLEAN AIR ACT PREVENTION OF SIGNIFICANT DETERIORATION PERMIT
PERMIT APPLICATION NO. SAC 12-01

Proposed Action: The United States Environmental Protection Agency (EPA) Region 9 provides notice of EPA Region 9's proposed action to authorize air pollutant emissions from the expansion of a facility operated by Sierra Pacific Industries-Anderson Division (SPI or SPI-Anderson). EPA Region 9 is proposing a modification of the Prevention of Significant Deterioration (PSD) permit for this facility that would grant conditional approval, in accordance with the PSD regulations (40 CFR 52.21), to SPI to construct and operate a new cogeneration unit and ancillary equipment at its existing lumber manufacturing facility in Anderson, California.

EPA Region 9 accepted public comment on a previous version of this PSD permit modification from September 14, 2012 to October 17, 2012. Today, we are announcing a new version of the permit, which addresses emissions of greenhouse gases (GHGs), as well as criteria pollutant emissions. We are also announcing a new public comment period and our intention to hold a public hearing. Please see below for details on the comment period and the public hearing date.

Background Information: The SPI-Anderson Division facility is located at: 19758 Riverside Avenue, Anderson, California 96007 (Assessor's Parcel No. 050-110-025). The site is approximately 0.5 mile west of Interstate 5, and approximately 2 miles north of the City of Anderson. The facility is bordered on the northeast by the Sacramento River, on the northwest by a private parcel, on the southwest by Union Pacific Railroad tracks and State Route (SR) 273 and on the southeast by private parcels. The SPI facility is located within the jurisdiction of the SCAQMD. The mailing address for SPI-Anderson is P.O. Box 496028, Redding, CA 96049-6028.

The original PSD permit for this facility was issued in 1994 by the Shasta County Air Quality Management District (SCAQMD). On March 3, 2003 EPA revoked and rescinded SCAQMD's authority to issue and modify federal PSD permits for new and modified major sources of attainment pollutants in Shasta County.

The site currently contains a wood-fired boiler cogeneration unit with associated air pollution control equipment and conveyance systems that produces steam to dry lumber in existing kilns. SPI has applied for approval to construct and operate an additional new cogeneration unit capable of generating 31 megawatts (MW) of gross electrical output from the combustion of clean cellulosic biomass, a 256 horsepower (hp) natural gas-fired emergency engine, and a two-cell cooling tower. EPA Region 9 is proposing to modify the 1994 PSD permit issued by SCAQMD to incorporate the proposed cogeneration unit and auxiliary equipment. All existing equipment at the SPI-Anderson facility is still subject to all existing permits issued by SCAQMD.

On September 13, 2012, EPA Region 9 proposed to issue a previous version of the PSD permit modification we are announcing today, and we accepted comments from September 14, 2012 through October 17, 2012. On February 19, 2013, after consideration of the public comments received, EPA Region 9 issued a PSD permit modification and explained that it would be effective in 30 days unless our action was appealed to the EPA's Environmental Appeals Board (EAB). Within that 30 day time frame, various parties filed appeals with the EAB, which suspended the permit's effective date. On July 18, 2013, the EAB remanded the permit to EPA Region 9 because it determined that our decision not to hold a public hearing prior to issuing the permit was contrary to applicable regulations. The EAB directed EPA Region 9 to reopen the permit proceedings to hold a public hearing, issue a final permit decision and respond to any new comments received during the hearing. *See In re Sierra Pacific Industries*, PSD Appeal Nos. 13-01 to 13-04, slip op. at 67 (EAB July 18, 2013).

A separate legal proceeding regarding EPA's deferral of biogenic carbon dioxide emissions from PSD requirements has also influenced the action we are proposing today. On July 12, 2013, the Court of Appeals for the Circuit for the District of Columbia issued a decision that will, upon the date it becomes final and effective, invalidate EPA's regulation deferring from the PSD requirements the carbon dioxide emissions resulting from the combustion of certain biological materials, including materials such as wood, wood waste, forest residue, and agricultural material. (*See Ctr. for Biological Diversity v. EPA*, 722 F.3d 401 (D.C. Cir. 2013)). As of this notice, the D.C. Circuit's decision is not yet final and effective and could be subject to additional legal proceedings. To facilitate EPA's ability to proceed on this permit application in the interim, SPI has submitted material regarding greenhouse gas (GHG) emissions from the proposed new equipment and requested that EPA review such materials and include GHG emission limits and related requirements in the proposed permit modification. The proposed permit modification that EPA Region 9 is announcing today is similar to the proposed permit modification that we announced in September 2012 and issued in February 2013 (subject to the filing of EAB petitions); however, it now includes GHG emission limits and related requirements. We have also taken this opportunity to revise certain other conditions (primarily related to monitoring, performance testing, and recordkeeping) to address minor technical issues we identified since February 2013.

The PSD permit modification we are proposing today requires the use of Best Available Control Technology (BACT) to limit emissions of nitrogen oxides (NO_x), carbon monoxide (CO), total particulate matter (PM), particulate matter under 10 micrometers (µm) in diameter (PM₁₀) and particulate matter under 2.5 µm in diameter (PM_{2.5}), and GHGs, to the greatest extent feasible. Air pollution emissions from the new cogeneration unit will not cause or contribute to violations of any National Ambient Air Quality Standards (NAAQS) or any applicable PSD increments for the pollutants regulated under the PSD permit.

Request for Public Comment: Any interested person may submit written comments regarding today's proposed PSD permit modification. All written comments on today's proposed action must be received by EPA Region 9 via e-mail by **December 13, 2013**, or postmarked by **December 13, 2013**. Comments must be sent or delivered in writing to Shaheerah Kelly at one of the following addresses:

E-mail: R9airpermits@epa.gov

U.S. Mail: Shaheerah Kelly
U.S. Environmental Protection Agency, Region 9 (AIR-3)
75 Hawthorne Street
San Francisco, CA 94105-3901
Phone: (415) 947-4156

Alternatively, written comments may be submitted to EPA Region 9 at the Public Hearing for this matter that will be held on December 10, 2013 as described below.

Comments should address the proposed PSD permit modification including, but not limited to, such matters as:

1. The Best Available Control Technology (BACT) determinations;
2. The effects, if any, on Class I areas;
3. The effect of the proposed facility on ambient air quality; and
4. The attainment and maintenance of the NAAQS.

Public Information Meeting: To facilitate opportunities for interested persons to provide informed oral presentations at the public hearing describe below, EPA Region 9 will hold a Public Information Meeting for the purpose of providing interested parties with additional information and an opportunity to ask questions and obtain answers to questions about for informal discussion of the proposed Project. The date, time and location of the Public Information Meeting are as follows:

Date: December 10, 2013
Time: 4:30 PM – 6:00 PM
Location: City of Anderson Community Center
1887 Howard Street
Anderson, California 96007

Public Hearing: Pursuant to 40 CFR 124.12, EPA Region 9 also intends to hold a Public Hearing to provide the public with further opportunity to comment on today's proposed PSD permit modification. At this Public Hearing, any interested person may provide written or oral comments and data pertaining to today's PSD permit modification. The date, time and location of the Public Hearing are as follows:

Date: December 10, 2013
Time: 7:00 PM – 9:00 PM
Location: City of Anderson Community Center
1887 Howard Street
Anderson, California 96007

If you are a person with a disability and require a reasonable accommodation for this event, please contact Philip Kum at kum.philip@epa.gov or at (415) 947-3566. If possible, requests

should be made at least 5 business days in advance of the event to ensure proper arrangements can be made.

Additional Information: All information submitted by the applicant is available as part of the administrative record. EPA Region 9's proposed PSD permit modification, a Supplemental Fact Sheet/Ambient Air Quality Impact Report (AAQIR) dated November 2013, the AAQIR dated September 2012, the permit application and other supporting information are available on the EPA Region 9 website at <http://www.epa.gov/region09/air/permit/r9-permits-issued.html#pubcomment>. The administrative record may also be viewed in person, Monday through Friday (excluding federal holidays) from 9:00 AM to 4:00 PM, at the EPA Region 9 address above. Due to building security procedures, please call Shaheerah Kelly at (415) 947-4156 at least 72 hours in advance to arrange a visit. Hard copies of the administrative record can be mailed to individuals upon request in accordance with Freedom of Information Act requirements as described on the EPA Region 9 website at <http://www.epa.gov/region9/foia/>.

EPA Region 9's proposed PSD permit modification, the Supplemental AAQIR dated November 2013, and the AAQIR dated September 2012 are also available for review at the (1) Shasta County Air Quality Management District at 1855 Placer St., Suite 101 in Redding, CA 96001; (2) Anderson Public Library at 3200 W. Center Street in Anderson, CA 96007; (3) Redding Public Library at 1100 Parkview Ave. in Redding, CA 96001; and (4) Shasta Lake Gateway Library at 4150 Asby Court in Shasta Lake, CA 96019.

All written comments that are received on today's proposed action will be included in the public docket without change and will be available to the public, including any personal information provided, unless the comment includes Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Information that you consider CBI or otherwise protected should be clearly identified as such and should not be submitted through e-mail. A transcript of the public hearing will also be included in the public docket. If you send e-mail directly to the EPA, your e-mail address will be automatically captured and included as part of the public comment. Please note that an e-mail or postal address must be provided with your comments if you wish to receive direct notification of EPA's final decision regarding the permit.

EPA's Final Permit Decision: EPA Region 9 will consider all new written and oral comments submitted during the public comment period, including those provided at the public hearing, before taking final action on the PSD permit modification. EPA Region 9 will send notice of the final decision to each person who provides contact information and who: (i) submits comments during the public comment period, including oral comments provided at the public hearing; or (ii) requests notice of the final permit decision. EPA Region 9 will respond to all new substantive comments in a document accompanying EPA's final permit decision.

EPA's final permit decision will become effective 30 days after the service of notice of the decision unless:

1. A later effective date is specified in the decision; or
2. Our decision is appealed to the EAB pursuant to 40 CFR Part 124.19. Please note that the EAB's July 18, 2013 decision remanding EPA Region 9's February 19, 2013 permit

modification stated: “Once [EPA Region 9] issues a final permit decision following the public hearing required by the remand, that final permit decision and the Board’s decision in this matter become final agency action subject to judicial review. 40 C.F.R. §124.19(l). . . . The Board is not requiring, and will not accept, an appeal to the Board of the final permit decision for the Project following remand in this case.” *In re Sierra Pacific Industries*, PSD Appeal Nos. 13-01 to 13-04, slip op. at 67 (EAB July 18, 2013); or

3. There are no comments requesting a change to the proposed permit decision, in which case the final decision shall become effective immediately upon issuance.

If EPA issues a final decision granting the PSD permit modification, and there is no appeal, construction of the modification may commence, subject to the conditions of the PSD permit and other applicable permit and legal requirements.

If you have questions, please contact Shaheerah Kelly at (415) 947-4156 or e-mail at R9airpermits@epa.gov. If you would like to be added to our mailing list to receive future information about this proposed permit decision or other PSD permit decisions issued by EPA Region 9, please Shaheerah Kelly at (415) 947-4156 or send an e-mail at R9airpermits@epa.gov, or visit EPA Region 9’s website at <http://www.epa.gov/region09/air/permit/psd-public-guidelines.html>.

Please bring the foregoing notice to the attention of all persons who would be interested in this matter.

Published: November 8, 2013